OIA 20220394 Table Of Contents

1.	Briefing for Cabinet Economic Development Committee 24 08 2022	1
2.	Consultation DEV National Policy Statement for Highly Productive Land	3
3.	Briefing for Cabinet Economic Development Committee 29 09 2021	7
4.	Consultation DEV Proposed National Policy Statement for Highly Productive Land	9
	Exposure Draft Testing	
5.	<u>Draft Cabinet paper for National Policy Statement for Highly Productive Land</u>	11
6.	Draft Cabinet paper for National Policy Statement for Highly Productive Land	15
7.	NPS for Highly Productive Land	19
8.	HPL points re LUC 1-3	20

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Pages



Treasury Repor		ng for Cabii ugust 2022	net Econ	omic D	evelopr	nent Corr	nmittee
Date:	19 Augus	st 2022		Report No: T2022/1		T2022/1864	4
			l	File Num	File Number: MS-5-4-D		V
Action sought							
		Action sough	it		Deadlin	е	
Hon Grant Robertson Minister of Finance		Read prior to the with Treasury 0		neeting		10.30am – 11.00am, Monday 22 August 2022	
Hon Dr Megan Woods Associate Minister of	Finance						
Hon David Parker Associate Minister of	Finance						
Hon Kiritapu Allan Associate Minister of	Finance						
Contact for telep	hone disc	cussion (if r	equired)				
Name	Position			Tele	phone		1st Contact
Giles Bollinger Senior Ana Economic S			s9(2)(k)		N/A (mob)		✓
Natalie Labuschagne Manager, Economic		Strategy	s9(2)(k)		N/A (mob)		
Minister's Office	actions (i	if required)					
Return the signed repo	ort to Treasur	у.					
Note any feedback on the quality of the report							

Pages 2-4 removed due to being out of scope

No

Enclosure:

IN-CONFIDENCE

National Policy Statement for Highly Productive Land 2022

Hon Damien O'Connor, Minister of Agriculture

Hon David Parker, Minister for the Environment

Treasury contact: Bastiaan van der Scheer s9(2)(g)(ii)

Sign out contact: Glen Thomson s9(2)(g)(ii)

Description:

This paper seeks Cabinet's approval of the National Policy Statement for Highly Productive Land 2022 (NPS-HPL). The NPS-HPL will protect highly productive land (HPL) for land-based primary production by requiring local councils to identify, map and manage HPL, and to ensure it is available for present and future land-based production.

Comments:

We are concerned that the NPS-HPL could unduly compromise objective 2 of the National Policy Statement on Urban Development (NPS-UD). That objective being "[p]lanning decisions improve housing affordability by supporting competitive land and development markets".

Land use capability (LUC) across New Zealand is divided into eight classes, from elite (Class 1) through to unsuitable for any 'productive use' in horticulture or agriculture (Class 8).

The default definition of HPL in the NPS-HPL includes LUC 3 land (in addition to LUC 1 and 2 land), which would increase the percentage of protected land from 5% (under LUC 1 and 2 land alone) to 15% (also including LUC 3 land). This definition will ring-fence many urban areas and is a significant policy choice. Given its potential significance, there is insufficient analysis or option provision around the decision.

Aside from this critical issue, we are satisfied that the NPS-HPL integrates as well as it can with the NPS-UD. Although there are risks that the NPS-HPL makes provision of land supply harder in practice (irrespective of definition of HPL), risk mitigations *could* be applied in the implementation of the NPS-UD. It is unclear if there *will* be improved implementation of the NPS-UD as a result of the NPS-HPL.

Treasury Recommendation: Do not support, defer until the paper includes robust analysis of the costs and benefits of the policy choice to include or exclude LUC 3 land from the default definition of HPL under the NPS-HPL. This could also include recommendations for improved implementation of the NPS-UD.

Fiscal Implications:

There are no direct fiscal implications associated with this paper.

From: Chris Parker [TSY]

To: <u>^Parliament: Laura Berntsen; Guy Bennett-Longley [TSY]</u>

Cc: Luke Crossen [TSY]; Jinal Mehta [TSY]; Glen Thomson [TSY]; Geraldine Treacher [TSY]

Subject: RE: Consultation: DEV: National Policy Statement for Highly Productive Land

Date: Saturday, 13 August 2022 8:38:01 am

Attachments: <u>image001.png</u>

Hi Laura,

MPI replied to our queries late yesterday. LUC 3 land is nearly twice as large as LUC 1&2 combined (raising protected land from about 5% to about 15% of all of NZ), so including it in the default definition of HPL is a significant judgement. Their reasoning boils down to:

- It's easier to protect more land, because LUC 1&2 is more patchy
- Most submitters support protecting more rural land
- Some councils already protect LUC1-3 land.

Their analysis was just from a rural land perspective (perhaps given MPI's remit). There was no analysis of the harm to housing affordability by including LUC 3.

I've updated and clarified the content below accordingly, in highlights.

Cheers

Chris

Chris Parker | Principal Advisor, Housing and Urban Growth | Te Tai Ōhanga – The Treasury

Cell:s9(2)(g)(ii) | chris.parker@treasury.govt.nz



From: Laura Berntsen < Laura. Berntsen@parliament.govt.nz>

Sent: Friday, 12 August 2022 2:04 pm

To: Guy Bennett-Longley [TSY] <Guy.Bennett-Longley@treasury.govt.nz>; Chris Parker [TSY] <Chris.Parker@treasury.govt.nz>

Cc: Luke Crossen [TSY] < Luke.Crossen@treasury.govt.nz>; Jinal Mehta [TSY]

<Jinal.Mehta@treasury.govt.nz>; Glen Thomson [TSY] <Glen.Thomson@treasury.govt.nz>

Subject: RE: Consultation: DEV: National Policy Statement for Highly Productive Land

Very helpful – I will give that to advisors noting the timing and staffing constraint issues, and be clear this is quick/informal.

Cheers,

Laura

From: Guy Bennett-Longley [TSY] [mailto:Guy.Bennett-Longley@treasury.govt.nz]

Sent: Friday, 12 August 2022 1:59 PM

To: Chris Parker [TSY] < Chris.Parker@treasury.govt.nz>; Laura Berntsen

<<u>Laura.Berntsen@parliament.govt.nz</u>>

Cc: Luke Crossen [TSY] < <u>Luke.Crossen@treasury.govt.nz</u>>; Jinal Mehta [TSY]

<Jinal.Mehta@treasury.govt.nz>; Glen Thomson [TSY] <Glen.Thomson@treasury.govt.nz>
Subject: RE: Consultation: DEV: National Policy Statement for Highly Productive Land

Thanks Chris.

Laura – here's a few points Chris drafted that could give advisors some context to go off hopefully.

- Our main consideration is that the NPS-HPL does not compromise achieving objective 2 of the NPS-UD which is "Planning decisions improve housing affordability by supporting competitive land and development markets".
- We are currently satisfied that NPS-HPL integrates as well as it can to not compromise that objective. Although there are risks that the NPS-HPL makes land and housing supply much harder in practice, the risk mitigations are better taken up in the implementation of the NPS-UD, as well as support with wider economic capability and research. However, we are doubtful there will be actually be improved implementation of the NPS-UD as a result of the NPS-HPL.
- The advice should have but did not consider an option refinement to define HPL to exclude LUC 3.
- We note the issues we had with the original cost-benefit appraisal pre-COVID probably still stand, but the CBA has not been updated, which may be criticised by third parties.
- [This point was contingent on hearing back from MPI's policy folk] Recommend that MoF seeks
 assurance this NPS HPL will not materially reduce supply for urban land. (Ask for advice on benefits to
 housing affordability by excluding LUC 3, and ask for how NPS UD implementation will mitigate
 additional risks created by NPS HPL.) Agree to the paper if you are satisfied that is the case.

Hope this broadly helps. Happy to discuss.

Guy

From: Chris Parker [TSY] < Chris.Parker@treasury.govt.nz>

Sent: Friday, 12 August 2022 1:52 pm

 $\textbf{To:} \ \, \textbf{Guy.Bennett-Longley@treasury.govt.nz} \textbf{>; } \textbf{`Parliament: Laura} \\$

Berntsen < laura.berntsen@parliament.govt.nz >

Cc: Luke Crossen [TSY] < <u>Luke.Crossen@treasurv.govt.nz</u>>; Jinal Mehta [TSY]

<<u>Jinal.Mehta@treasury.govt.nz</u>>; Glen Thomson [TSY] <<u>Glen.Thomson@treasury.govt.nz</u>>

Subject: Re: Consultation: DEV: National Policy Statement for Highly Productive Land

Hi Laura, I think Guy meant that point as just background, not for inserting in a template. We're happy to just go on the record as having no comment.

Tsy protested last time with quite an interventionist Treasury Comment in the Cab Paper.

Happy to explain our views on it as background. We had only 24 hrs to advise, with no staff capacity, and s9(2)(g)(i)

Happy to Discuss. I'm at GEN today, and on AL next week Chris, $\mathbf{s9(2)(g)(ii)}$

Sent from my phone

From: Laura Berntsen < <u>Laura.Berntsen@parliament.govt.nz</u>>

Sent: Friday, August 12, 2022 1:32:44 PM

To: Guy Bennett-Longley [TSY] < <u>Guy.Bennett-Longley@treasury.govt.nz</u>> **Cc:** Chris Parker [TSY] < <u>Chris.Parker@treasury.govt.nz</u>>; Luke Crossen [TSY]

<Luke.Crossen@treasury.govt.nz>; Jinal Mehta [TSY] <<u>Jinal.Mehta@treasury.govt.nz</u>>
Subject: RE: Consultation: DEV: National Policy Statement for Highly Productive Land

Is there past advice that Treasury has put up on this, or something that went to agencies that I can forward to advisors? As you might imagine, as soon as they see in the template that Treasury doesn't support, they will (very reasonably) ask why. Totally fine just to send 2-3 bullets if it's hard to coordinate across teams and you're pressed for time.

Laura

From: Laura Berntsen

Sent: Friday, 12 August 2022 1:25 PM

To: 'Guy Bennett-Longley [TSY]' < <u>Guy.Bennett-Longley@treasury.govt.nz</u>> **Cc:** Chris Parker [TSY] < <u>Chris.Parker@treasury.govt.nz</u>>; Luke Crossen [TSY]

<<u>Luke.Crossen@treasury.govt.nz</u>>; Jinal Mehta [TSY] <<u>Jinal.Mehta@treasury.govt.nz</u>> **Subject:** RE: Consultation: DEV: National Policy Statement for Highly Productive Land

Thanks Guy – does that imply Treasury does not support the paper?

From: Guy Bennett-Longley [TSY] [mailto:Guy.Bennett-Longley@treasury.govt.nz]

Sent: Friday, 12 August 2022 11:49 AM

To: Laura Berntsen < <u>Laura.Berntsen@parliament.govt.nz</u>>

Cc: Chris Parker [TSY] < Chris.Parker@treasury.govt.nz; Luke Crossen [TSY]

<<u>Luke.Crossen@treasury.govt.nz</u>>; Jinal Mehta [TSY] <<u>Jinal.Mehta@treasury.govt.nz</u>>

Subject: FW: Consultation: DEV: National Policy Statement for Highly Productive Land

[IN-CONFIDENCE]

Kia ora Laura,

We have no comments on this paper.

Note that this doesn't imply support......

Thanks! Guy

From: ^EXT: corin higgs < corin.higgs@parliament.govt.nz>

Sent: Monday, 8 August 2022 5:10 pm

To: ^EXT: Kurt Mclauchlan < Kurt Mclauchlan < Kurt Mclauchlan < Kurt Mclauchlan < Kurt Mclauchlan < Kurt.mclauchlan@parliament.govt.nz>; ^Parliament: Alex Tarrant

<alex.tarrant@parliament.govt.nz>; Beth Houston <elizabeth.houston@parliament.govt.nz>;

^Parliament: Toby Moore < toby.moore@parliament.govt.nz >; ^MOF: Katy.Greco-Ainslie

<<u>Katy.Greco-Ainslie@parliament.govt.nz</u>>; Scott Russell <<u>Scott.Russell@parliament.govt.nz</u>>;

David Choat < <u>David.Choat@parliament.govt.nz</u>>; Alicia Sudden

Sam Barry < Samuel. Barry@parliament.govt.nz >; ^Parliament: Andrea Black

<a href="mailto:<a href="mailto:A

<<u>Samuel.Jaffe@parliament.govt.nz</u>>; Ben McLachlan <<u>Ben.McLachlan@parliament.govt.nz</u>>;

Jonathan Gee <<u>Jonathan.Gee@parliament.govt.nz</u>>; Pheona Hurley

<<u>Pheona.Hurley@parliament.govt.nz</u>>; ^Parliament: Semi Kuresa

<semi.kuresa@parliament.govt.nz>; William Blackler <William.Blackler@parliament.govt.nz>;

James Baigent < <u>James.Baigent@parliament.govt.nz</u>>

Cc: ^Parliament: Holly Donald < <u>Holly.Donald@parliament.govt.nz</u>>

Subject: Consultation: DEV: National Policy Statement for Highly Productive Land

Dear DEVers

Please find attached the long overdue draft Cabinet paper on the National Policy Statement for Highly Productive Land

We intend to take the paper to DEV on August 24

Thanks

Summary

The NPS-HPL will protect highly productive land (HPL) for land-based primary production by requiring local councils to identify, map and manage HPL, and to ensure it is available for present and future land-based primary production.

The NPS-HPL supports:

- the Government Policy Statement on Housing and Urban Development, in supporting resilient, sustainable, inclusive, and prosperous communities; and
- the Government's overarching policy objectives for the housing market, particularly in supporting the creation of a housing and urban land market that credibly responds to population growth and changing housing preferences, that is competitive and affordable for renters and homeowners, and is well-planned and well-regulated; and
- the Government's commitment to honouring the Treaty of Waitangi (Te Tiriti o Waitangi),
 particularly involving Treaty Partners throughout the development and implementation of
 this NPS, and removing barriers faced by Māori landowners when developing Māori
 customary and freehold land, and Treaty Settlement Land.

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Treasury Report: Briefing for Cabinet Economic Development Committee 29 September 2021

Date:	24 September 2021	Report No:	T2021/2444	
		File Number:	MS-5-4-DEV	

Action sought

	Action sought	Deadline
Hon Grant Robertson Minister of Finance	Read prior to the pre-Cabinet meeting with Treasury officials	11:15am, Monday 27 September
Hon Dr Megan Woods Associate Minister of Finance		
Hon David Parker Associate Minister of Finance		

Contact for telephone discussion (if required)

Name	Position	Telephone		1st Contact
Amy Spittal	Graduate Analyst, Economic Policy	s9(2)(k)	N/A (mob)	✓
Natalie Labuschagne	Manager, Economic Strategy	s9(2)(k)	N/A (mob)	

Minister's Office actions (if required)

Return the sigr	ned report to Treasury.
Note any feedback on the quality of the report	
Enclosure:	No

Pages 2-3 removed due to being out of scope

IN-CONFIDENCE

Proposed National Policy Statement for Highly Productive Land: Release of Exposure Draft

Hon Damien O'Connor, Minister of Agriculture Hon David Parker, Minister for the Environment

Treasury contact: Jinal Mehta s9(2)(k)
Sign out contact: Sam King s9(2)(k)

Description: This paper seeks Cabinet's agreement to release the proposed National Policy Statement for Highly Productive Land (NPS-HPL) exposure draft for targeted consultation. The proposed regulations would effectively restrict rural lifestyle development on highly productive land whilst still allowing development for more intensive urban expansion.

Comments: You provided feedback to reflect the below concerns at Ministerial consultation and asked that the exposure draft and Cabinet paper be amended accordingly. However, we have not seen an amended version of this paper.

We note that land use restrictions could impinge on property rights. A Regulatory Impact Statement (RIS) or cost-benefit analysis (CBA) were not supplied to support rigorous analysis of the options and trade-offs. These risks can be mitigated by releasing the RIS or CBA, alongside the exposure draft.

The exposure draft also included additional qualifications and frictions to urban intensification (para 3.4.3). We consider that the policy intent of the NPS-HPL could be met without these additional qualifications and that the consultation material should be amended to test this.

In addition, the Cabinet paper also misquoted Cabinet's housing policy objective 3. We consider that the objective should be quoted in full so Cabinet can be reminded of the exact wording: "create a housing and urban land market that credibly responds to population growth and changing housing preferences, that is competitive and affordable for renters and homeowners, and is well-planned and well-regulated" [CAB-21-MIN-0045 refers].

Treasury Recommendation: Support and recommend that the CBA be released alongside the NPS-HPL for public consultation.

Fiscal Implications: There are no direct fiscal implications associated with this paper.

From: Sam King [TSY]

To: ^Parliament: Scott Russell; John Beaglehole [TSY]

Cc:

Jinal Mehta [TSY]; Tim Stevenson [TSY]; Chris Parker [TSY]; Olivia Maxwell [TSY]
RE: Consultation: DEV: Proposed National Policy Statement for Highly Productive Land Exposure Draft Testing Subject:

Date: Tuesday, 7 September 2021 9:03:54 am

Attachments: image001.png

[IN-CONFIDENCE]

Hi Scott,

Here is our advice on this issue. Prepared in consultation with the HUG team. Happy to discuss.

Title of paper	Proposed National Policy Statement for Highly Productive Land Exposure
	Draft Testing
Minister and	Minister for the Environment, Ministry for the Environment
agency	Minister of Agriculture, Ministry for Primary Industries
Description	This paper seeks Cabinet's agreement to release the proposed National Policy Statement for Highly Productive Land (NPS-HPL) exposure draft for targeted consultation.
Comments	The Treasury sees merit in consultation on the NPS-HPL. The proposed regulations would effectively restrict rural lifestyle development on HPL whilst still allowing development for more intensive urban expansion. We note that land use restrictions could impinge on property rights. We also note that a Regulatory Impact Statement (RIS) or cost-benefit analysis (CBA)
	were not supplied to support a rigorous analysis of the options and trade-offs. These risks can be mitigated by releasing the RIS or CBA, alongside the exposure draft.
	Paragraph 3.4.3 of the exposure draft provides additional qualifications and frictions to urban intensification. We consider that the policy intent of the NPS-HPL could be met without these additional qualifications and that the consultation material should be amended to test this.
	In addition, Para 3.2 misquotes Cabinet's housing policy objective 3. We consider that cabinet be reminded of the exact wording: "create a housing and urban land market that credibly responds to population growth and changing housing preferences, that is competitive and affordable for renters and homeowners, and is well-planned and well-regulated" [CAB-21-MIN-0045 refers]
Consulting Minister's due date	7 th September
Cabinet or Cabinet	CBC 13 th September
Committee	The second of the Artist Constitution of the Art
Fiscal implications	There are no direct fiscal implications associated with this paper.
Recommended action	You may want to request the following changes: • That paragraph 3 of the Cabinet paper should refer to Cabinet's housing

- market objective 3 in full and verbatim
- That recommendation 7 of the Cabinet paper agree that the latest draft RIS and CBA be released at the same time as the exposure draft of the NPS-HPL;
- That the consultation material should ask the public whether paragraph 3.4.3 of the exposure draft could be deleted without undue risk to HPL



Sam King (he/him) | Acting Manager | Te Tai Ōhanga - The Treasury

s9(2)(g)(ii) | Email/IM: sam.king@treasury.govt.nz

Visit us online at https://treasury.govt.nz/ and follow us on Twitter, LinkedIn and Instagram

I work from home on Wednesdays

From: Highly Productive Soils
To: Chris Parker [TSY]

Cc: Geraldine Treacher [TSY]; Bastiaan van der Scheer [TSY]; Fiona Stokes [TSY]; Davin Hall [TSY]; Guy
Bennett-Longley [TSY]; Luke Crossen [TSY]; Jinal Mehta [TSY]; Kok Hong Wan (Hong); Gustav Chu-Ling

Subject: RE: Draft Cabinet paper for National Policy Statement for Highly Productive Land

Date: Friday, 12 August 2022 3:10:03 pm

Attachments: image002.png

Thought for food impacts of urbanisation trends on.pdf

Some people who received this message don't often get email from soils@mpi.govt.nz. <u>Learn</u> why this is important

Kia ora Chris,

Sorry both Tom and I have been out of office the past two days on a field study. On your queries:

I noticed the RIS didn't comment on an option to exclude LUC 3, following our conversations and our feedback. Was that option analysed and I just missed it?

The Section 32 report (options analysis on page 64 to 66) as well as the Recs report (Pages 19, 31, 41 to 42) may answer your question. Please let me know if you did not receive these two reports as part of the Ministerial consultation package.

Can you advise on what shares of NZ land is each of LUC 1, LUC 2, and LUC 3 separately please? (I tried googling it.)

Please refer to Table 1 in the attached journal article for an area breakdown of each LUC Class.

Ngā mihi / Regards,

Kok Hong Wan (Hong) | he/him
Policy Analyst (Land) | Natural Resources Policy
Ministry for Primary Industries - Manatū Ahu Matua | Charles Fergusson Tower
34-38 Bowen Street | PO Box 2526 | Wellington 6140 | New Zealand
\$9(2)(k) | www.mpi.govt.nz



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From: Chris Parker [TSY] < Chris.Parker@treasury.govt.nz>

Sent: Wednesday, 10 August 2022 12:12 PM **To:** Highly Productive Soils <soils@mpi.govt.nz>

Cc: Geraldine Treacher [TSY] < Geraldine. Treacher@treasury.govt.nz>; Bastiaan van der Scheer [TSY] < Bastiaan.vanderScheer@treasury.govt.nz>; Fiona Stokes [TSY]

<Fiona.Stokes@treasury.govt.nz>; Davin Hall [TSY] <Davin.Hall@treasury.govt.nz>; Guy Bennett-Longley [TSY] <Guy.Bennett-Longley@treasury.govt.nz>; Luke Crossen [TSY]

<Luke.Crossen@treasury.govt.nz>; Jinal Mehta [TSY] <Jinal.Mehta@treasury.govt.nz>

Subject: Draft Cabinet paper for National Policy Statement for Highly Productive Land

Hi,

We've been asked to advise on ministerial consultation on this paper. I noticed the RIS didn't comment on an option to exclude LUC 3, following our conversations and our feedback. Was that option analysed and I just missed it?

Can you advise on what shares of NZ land is each of LUC 1, LUC 2, and LUC 3 separately please? (I tried googling it.)

Thanks

Cheers Chris

From: Chris Parker [TSY]

Sent: Thursday, 16 June 2022 5:42 pm

To: Highly Productive Soils <<u>soils@mpi.govt.nz</u>>

Cc: Geraldine Treacher [TSY] < <u>Geraldine.Treacher@treasury.govt.nz</u>>; Bastiaan van der Scheer

[TSY] < <u>Bastiaan.vanderScheer@treasury.govt.nz</u>>; Fiona Stokes [TSY]

<<u>Fiona.Stokes@treasury.govt.nz</u>>; Davin Hall [TSY] <<u>Davin.Hall@treasury.govt.nz</u>>; Guy Bennett-

Longley [TSY] < Guy. Bennett-Longley@treasury.govt.nz>; Luke Crossen [TSY]

<<u>Luke.Crossen@treasury.govt.nz</u>>

Subject: RE: [FEEDBACK BY COP, 16 JUNE] - Draft Cabinet paper for National Policy Statement for Highly Productive Land

[IN-CONFIDENCE]

Hi

Thanks for the opportunity to comment on the draft Cabinet paper and NPS-HPL and for meeting and discussing this with us.

We recognise that some sort of NPS-HPL is likely inevitable, and our main consideration is that the NPS-HPL does not compromise achieving objective 2 of the NPS-UD which is "Planning decisions improve housing affordability by supporting competitive land and development markets".

We are currently satisfied that NPS-HPL integrates well enough to not compromise that objective. Although there are certainly risks that the NPS-HPL makes it harder to achieve competitive urban land markets, the risk mitigations are better taken up in the implementation of the NPS-UD, as well as support with wider economic capability and research.

As discussed, there are option refinements to define HPL to exclude LUC 3. If that option has been appraised and recommended against, we suggest that reasoning be laid out in the RIS.

We note the issues we had with the original CBA by Market Economics pre-COVID probably still stand, but the CBA has not been updated, which may be criticised by third parties.

Cheers

Chris

Chris Parker | Principal Advisor, Housing and Urban Growth | Te Tai Ōhanga – The Treasury Cell: \$9(2)(g)(ii) | chris.parker@treasury.govt.nz



From: Highly Productive Soils <soils@mpi.govt.nz>

Sent: Wednesday, 8 June 2022 2:06 pm

To: Bridget.Burt@nzta.govt.nz; Mike.Hurley@hud.govt.nz; Ben Richards

<Benjamin.Richards@hud.govt.nz>; 'Kashmir.Kaur@hud.govt.nz';

'Gurv.Singh@kaingaora.govt.nz'; 'Dylan.Chambers@treasury.govt.nz';

'Harry.Harknett@hud.govt.nz'; 'Nick.Martelli@mfe.govt.nz'; Irene Parminter (MFE)

<lrene.Parminter@mfe.govt.nz>; 'brett.cameron003@msd.govt.nz';

'Matt.Maguire@mfe.govt.nz'; 'STrebilco@linz.govt.nz'; 'matthew.walker@dia.govt.nz';

'Sam.Miles@dia.govt.nz'; Olivia Sullivan < Olivia.Sullivan@mpi.govt.nz >;

'TeVaerangi.Minster@tearawhiti.govt.nz'; Brigid Preston (Brigid) < Brigid.Preston2@mpi.govt.nz;

Sasha Smith < sasmith@doc.govt.nz >; gkerrison@doc.govt.nz; samthomas@doc.govt.nz; Connie Hutchinson < Connie.Hutchinson@dia.govt.nz >; Chris Parker [TSY]

<<u>Chris.Parker@treasury.govt.nz</u>>; <u>Corwin.Wallens@treasury.govt.nz</u>; <u>Davin Hall</u> [TSY]

<Davin.Hall@treasury.govt.nz>; MBarker@linz.govt.nz; ^Transport: Greg Mossong

<<u>G.Mossong@transport.govt.nz</u>>; Davies, Rebecca <<u>REBECCA.DAVIES@nzdf.mil.nz</u>>; ^EDU: Tim

Penney <<u>tim.penney@education.govt.nz</u>>; EXT: J Flavell <<u>jflavell@doc.govt.nz</u>>; Tikitu Tu-Nathan

(TPK <<u>natht@tpk.govt.nz</u>>; Megan Bell <<u>bellm@tpk.govt.nz</u>>; <u>marte@tpk.govt.nz</u>; Cherie

Wightman < Cherie.Wightman@mbie.govt.nz; Richard.Hills2@mbie.govt.nz;

Daniel.Brown@mbie.govt.nz; Lena.MacCarthy@mbie.govt.nz; RMreform@mbie.govt.nz; Dylan

Chambers [TSY] < Dylan.Chambers@treasury.govt.nz>

Subject: [FEEDBACK BY COP, 16 JUNE] - Draft Cabinet paper for National Policy Statement for Highly Productive Land

Some people who received this message don't often get email from soils@mpi.govt.nz. Learn why this is important

[In COnfidence – do not circulate]

Kia ora koutou,

The Ministry for Primary Industries and Ministry for the Environment have developed a draft Cabinet paper seeking Cabinet agreement to gazette the proposed National Policy Statement for Highly Productive Land (NPS-HPL).

You have been reached via the contact list from mid-2021 during the development of the NPS-HPL. If you are no longer the right agency contact for this work, please forward the email to the relevant staff member.

This final advice package is prepared for the DEV meeting on 27 July 2022 (lodging on 20 July). Agency feedback needs to be back with us **by 5pm on 16 June (Thursday)**.

Please feel free to contact the project team or organise a short catch up if you have any inquiries.

hanl		

Ngā mihi / Regards, on behalf of the NPS-HPL team,

Kok Hong Wan (Hong) | he/him
Policy Analyst (Land) | Natural Resources Policy
Ministry for Primary Industries - Manatū Ahu Matua | Charles Fergusson Tower
34-38 Bowen Street | PO Box 2526 | Wellington 6140 | New Zealand
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From: Highly Productive Soils
To: Chris Parker [TSY]

Cc: <u>Luke Crossen [TSY]</u>; <u>Guy Bennett-Longley [TSY]</u>; <u>Fiona Stokes [TSY]</u>

Subject: RE: [FEEDBACK BY COP, 16 JUNE] - Draft Cabinet paper for National Policy Statement for Highly Productive

Land

Date: Tuesday, 14 June 2022 3:35:31 pm

Attachments: <u>image002.png</u>

National Direction Evaluation Report under Section 32 of the RMA - NPS-HPL DRAFT for Legal and RM

review.docx

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Hi Chris,

Thanks for your time at our meeting on Monday. Here's the Section 32 report for your review. The comments on the document are deliberately left there for our legal team's reference. We noted your comment regarding determining highly productive land based on LUC 1 to 3. We will finalise this section ahead of Ministerial consultation next week.

FYI, we intend to provide the advice package for Ministerial consultation on 21 June. Let us know if you have any questions or immediate responses to the s32.

Ngā mihi / Regards,

Kok Hong Wan (Hong) | he/him
Policy Analyst (Land) | Natural Resources Policy
Ministry for Primary Industries - Manatū Ahu Matua | Charles Fergusson Tower
34-38 Bowen Street | PO Box 2526 | Wellington 6140 | New Zealand
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From: Highly Productive Soils <soils@mpi.govt.nz>

Sent: Friday, 10 June 2022 2:05 PM

To: Chris Parker [TSY] < Chris.Parker@treasury.govt.nz>

Cc: Luke Crossen [TSY] <Luke.Crossen@treasury.govt.nz>; Guy Bennett-Longley [TSY] <Guy.Bennett-Longley@treasury.govt.nz>; Fiona Stokes [TSY] <Fiona.Stokes@treasury.govt.nz> **Subject:** RE: [FEEDBACK BY COP, 16 JUNE] - Draft Cabinet paper for National Policy Statement for Highly Productive Land

Hi Chris,

In this email you'll find the CBA and the RIS for your reference. The section 32 report will be provided to you at a later date, as informed by Tom.

See you on Monday. Have a good weekend.

Ngā mihi / Regards,

Kok Hong Wan (Hong) | he/him
Policy Analyst (Land) | Natural Resources Policy
Ministry for Primary Industries - Manatū Ahu Matua | Charles Fergusson Tower
34-38 Bowen Street | PO Box 2526 | Wellington 6140 | New Zealand
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From: Chris Parker [TSY] < Chris.Parker@treasury.govt.nz>

Sent: Wednesday, 8 June 2022 6:49 PM

To: Highly Productive Soils <<u>soils@mpi.govt.nz</u>>

Cc: Luke Crossen [TSY] < <u>Luke.Crossen@treasury.govt.nz</u>>; Guy Bennett-Longley [TSY] < <u>Guy.Bennett-Longley@treasury.govt.nz</u>>; Fiona Stokes [TSY] < <u>Fiona.Stokes@treasury.govt.nz</u>>

Subject: RE: [FEEDBACK BY COP, 16 JUNE] - Draft Cabinet paper for National Policy Statement for Highly Productive Land

[IN-CONFIDENCE]

Hi Hong,

Thanks for sharing the draft Cabinet paper and draft NPS-HPL with us. To help us understand the proposed policy can MPI please supply:

- The CBA that supports the proposal
- The RMA section 32 evaluation report
- The RIS.

Given the short turnaround for dept consultation can we ask please:

- What engagement have you had with Urban Growth Agenda agencies this year to date?
- Given Treasury's advisory responsibilities and capabilities on the related matters of competitive urban land markets (NPS UD Objective 2) and the problematic CBA previously for this proposal, why could MPI not work with the Treasury at an earlier possible stage (as per paras 5.19 and 5.20 of the <u>Cabinet manual</u>)?

Thank you.

Ps, please note that Corwin Wallens and Dylan Chambers have moved on from Treasury.

Cheers

Chris

Chris Parker | Principal Advisor, Housing and Urban Growth | Te Tai Ōhanga – The Treasury

Cell: s9(2)(g)(ii) | chris.parker@treasury.govt.nz

From: Highly Productive Soils <<u>soils@mpi.govt.nz</u>>

Sent: Wednesday, 8 June 2022 2:06 pm

To: Bridget.Burt@nzta.govt.nz; Mike.Hurley@hud.govt.nz; Ben Richards

<Benjamin.Richards@hud.govt.nz>; 'Kashmir.Kaur@hud.govt.nz';

'Gurv.Singh@kaingaora.govt.nz'; 'Dylan.Chambers@treasury.govt.nz';

'Harry.Harknett@hud.govt.nz'; 'Nick.Martelli@mfe.govt.nz'; Irene Parminter (MFE)

<lrene.Parminter@mfe.govt.nz>; 'brett.cameron003@msd.govt.nz';

'Matt.Maguire@mfe.govt.nz'; 'STrebilco@linz.govt.nz'; 'matthew.walker@dia.govt.nz';

'Sam.Miles@dia.govt.nz'; Olivia Sullivan < Olivia.Sullivan@mpi.govt.nz >;

'TeVaerangi.Minster@tearawhiti.govt.nz'; Brigid Preston (Brigid) < Brigid.Preston2@mpi.govt.nz;

Sasha Smith < sasmith@doc.govt.nz >; gkerrison@doc.govt.nz; samthomas@doc.govt.nz; Connie Hutchinson@dia.govt.nz >; Chris Parker [TSY]

<Chris.Parker@treasurv.govt.nz; Corwin.Wallens@treasurv.govt.nz; Davin Hall [TSY]

<Davin.Hall@treasury.govt.nz>; MBarker@linz.govt.nz; ^Transport: Greg Mossong

<<u>G.Mossong@transport.govt.nz</u>>; Davies, Rebecca <<u>REBECCA.DAVIES@nzdf.mil.nz</u>>; ^EDU: Tim

Penney <<u>tim.penney@education.govt.nz</u>>; EXT: J Flavell <<u>iflavell@doc.govt.nz</u>>; Tikitu Tu-Nathan

(TPK <natht@tpk.govt.nz>; Megan Bell <bellm@tpk.govt.nz>; marte@tpk.govt.nz; Cherie

Wightman < Cherie.Wightman@mbie.govt.nz>; Richard.Hills2@mbie.govt.nz;

<u>Daniel.Brown@mbie.govt.nz;</u> <u>Lena.MacCarthy@mbie.govt.nz;</u> <u>RMreform@mbie.govt.nz;</u> <u>Dylan</u>

Chambers [TSY] < <u>Dylan.Chambers@treasury.govt.nz</u>>

Subject: [FEEDBACK BY COP, 16 JUNE] - Draft Cabinet paper for National Policy Statement for Highly Productive Land

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[In COnfidence – do not circulate]

Kia ora koutou,

The Ministry for Primary Industries and Ministry for the Environment have developed a draft Cabinet paper seeking Cabinet agreement to gazette the proposed National Policy Statement for Highly Productive Land (NPS-HPL).

You have been reached via the contact list from mid-2021 during the development of the NPS-HPL. If you are no longer the right agency contact for this work, please forward the email to the relevant staff member.

This final advice package is prepared for the DEV meeting on 27 July 2022 (lodging on 20 July). Agency feedback needs to be back with us **by 5pm on 16 June (Thursday)**.

Please feel free to contact the project team or organise a short catch up if you have any inquiries.

Thank you.

Ngā mihi / Regards, on behalf of the NPS-HPL team,

Kok Hong Wan (Hong) | he/him
Policy Analyst (Land) | Natural Resources Policy
Ministry for Primary Industries - Manatū Ahu Matua | Charles Fergusson Tower
34-38 Bowen Street | PO Box 2526 | Wellington 6140 | New Zealand
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From: Mike Hurley Glen Thomson [TSY] To:

Subject: NPS for Highly Productive Land Monday, 22 August 2022 8:59:49 am Date:

Attachments: image001.png

image002.png image003.png image004.png image005.png image006.png

Morning Glen

I understand from David Hermans that you wanted to discuss the NPS-HPL with somebody at HUD. I was leading our engagement with MPI during its development and am available to talk this morning or tomorrow afternoon about it. We are happy with the version attached to the latest Cabinet paper.

Regards

Mike Hurley (he/him)

Principal Policy Advisor | Policy and Legislation Design – Team 4

Solutions Design and Implementation

mike.hurley@hud.govt.nz | Phone: \$9(2)(g)(ii)

www.hud.govt.nz | 7 Waterloo Quay, PO Box 1473, Wellington

[UNCLASSIFIED]

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 From:
 Thomas Corser (Tom)

 To:
 Chris Parker [TSY]

 Subject:
 HPL points re LUC 1-3

Date: Wednesday, 24 August 2022 10:20:40 am

Hi Chris.

Just FYI – here are some points re why we propose LUC 1-3 rather than LUC 1-2. Also see comments from MHUD further below:

MPI/MfE consider LUC 1-3 should be retained as:

- LUC 1-3 is consistent with a number of regional approaches using a smaller range of LUC will reduce existing protections, including some areas of prominent food growing hubs that are LUC 3;
- LUC1-3 subject to significant loss already, particularly to lifestyle subdivisions;
- Mapping LUC 1-3 was broadly supported by submitters, including soil scientists;
 and
- The scale of LUC (1:50,000) makes it difficult to correctly identify LUC 1 and 2, but the scale is appropriate to identify 'large and geographically cohesive' areas of LUC 1-3.

Key point is that protecting LUC 1-2 would result in the NPS-HPL reducing existing protections of HPL as:

Tier 1 councils with existing protections of LUC 3

- Auckland
- Bay of Plenty
- Waikato (some subgroups of LUC 3)
- Hawke's Bay

Tier 1 councils that only LUC 1-2

- Wellington
- Christchurch

N/A

Queenstown n/a

Tom Corser | Land Policy | Ministry for Primary Industries - Manatū Ahu Matua

s9(2)(k) s9(2)(g)(ii)

From: Mike Hurley <Mike.Hurley@hud.govt.nz>

Sent: Tuesday, 23 August 2022 9:23 AM

To: Thomas Corser (Tom) < Thomas.Corser@mpi.govt.nz>

Subject: RE: FYI HPL at DEV tomorrow

Thanks Tom

We weren't planning in being there. This is what we provided to the Minister's office around the Ministerial Consultation:

We have really appreciated how collaboratively the HPL Team has worked with us to manage the interface between the protecting HPL and enabling Urban Development. We are supportive of

the final drafting attached as Appendix 1 of Cabinet paper. The latest drafting of the NPS-HPL has addressed all of our previous concerns.

It is worth noting that the HPL land is restricted to land that is zoned rural so excludes any area (like Drury) that is zoned for future urban development. It will also be possible to rezone land for urban development where this is necessary to provide sufficient development capacity for the area (an NPS-UD requirement). The HPL requirements will not apply when rural land has been rezoned for urban development.

I hope it goes well for you tomorrow. Regards Mike

[IN-CONFIDENCE]

From: Thomas Corser (Tom) < <u>Thomas.Corser@mpi.govt.nz</u>>

Sent: Tuesday, 23 August 2022 9:14 am **To:** Mike Hurley < <u>Mike.Hurley@hud.govt.nz</u>>

Subject: FYI HPL at DEV tomorrow

Kia ora Mike,

Hope all's going well?

NPS-HPL is due to be considered at DEV tomorrow, 11am. I just wanted to flag in case you or someone from HUD were planning to wait outside in case there were questions about the NPS-UD interaction? I think this would be unlikely given we didn't hear anything through Ministerial consultation.

Cheers,

Tom

Tom Corser (he/him)| Manager | Land Policy | Natural Resources Directorate Ministry for Primary Industries - Manatū Ahu Matua | Charles Fergusson Tower 34-38 Bowen Street | PO Box 2526 | Wellington 6140 | New Zealand



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